

Stepping out ON THE IMPROVEM

For the Australian Customs Service, Quality Management is not a new wonder solution, but a practical, common-sense way to respond successfully to the challenges it faces. CHRIS WALL tells how the Customs Quality Management approach is helping to transform the organisation.

Customs is in the early stages of its Quality Management program and has a long way to go. We have done the groundwork needed for success and long term sustainability. We have achieved some substantial gains already and we are confident that our approach is right and will ultimately deliver lasting benefits to clients, staff and the Australian people. But we had to do some hard work and hard thinking to get this far.

The impetus for reform

A review of the Australian Customs Service in 1993 concluded that Customs was at a turning point and that we needed to emphasise what we could and should do to help make Australia more internationally competitive, to facilitate trade and, in the process, become more efficient and more client focused.

One direction from government following the review was that Customs should introduce Quality Management as a tool to help effect the changes, and that organisational performance should be evaluated against the Australian Quality Award criteria.

Customs then undertook an ambitious program of change and improvement in its strategic direction, its structure, and most importantly, its corporate culture. This is reflected in the corporate vision:

“To be a world leader in customs administration delivering high quality service to the community, industry and commerce”.

Some of the more visible changes so far include:

- Central Office divisions reduced from eight to three.
- A shift from vertical national program reporting to matrix reporting.
- Increased devolution of authority from headquarters to regional offices.
- A closer focus on industry and client needs.
- A reduction in staff levels.
- Adopting Australian Quality Award criteria as the framework for change and improvement.

For Customs, introducing Quality Management, including continuous improvement techniques, is a pragmatic and sensible way to achieve essential changes in organisational culture. It also provides a practical vehicle for helping to meet the ever-increasing expectations of our clients. Moreover, Quality Management and, in particular, the Australian Quality Award criteria, provide Customs with a framework for coming to grips with those wide-ranging challenges, which includes the need to balance sometimes competing

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demands for facilitating people and goods and enforcing legislation.

But taking a broader view does not mean that we have lost sight of our principal roles:

- Facilitating trade and movement of people across Australia's border, while protecting the community and maintaining appropriate compliance.
- Assisting Australian industry through delivery of government support measures.
- Collecting customs and excise revenue.

Balancing facilitation and control often comes down to the exercise of sound judgement by relatively junior staff. Simply relying on the procedural manual or on precedent is no longer viable.

Customs realised that it needed to radically change the way it operates to meet the challenges arising from the review.

Our approach to Quality Management began with a good look at what others have done, what worked, and what did not. We concluded that no off-the-shelf solution could readily be adapted.

So we identified criteria to guide our own approach. The criteria became a test for our ideas and approaches. If a strategy met all the core criteria it would most likely meet our requirements.

The core criteria included maximising:

- Early staff involvement.
- Use of existing corporate resources and infrastructure.
- Links to other corporate and organisational improvement initiatives.
- Links to our enterprise and agency agreement commitments.
- Links with the wider Australian public service reform agenda.

- Alignment with the Australian Quality Award criteria.
- Practical and cooperative involvement of the Community and Public Sector Union.
- Long-term development and sustainability of the initiative.

The criteria sought to minimise use of:

- New structures, corporate empires and proliferating committees.
- Consultants or advisers.
- Total Quality Management jargon and unrealistic promises.

This led to a three-stage strategy of establishment, implementation and consolidation. Success would be based on:

- Ensuring effective integration of the Customs Quality Management program with other organisational improvement initiatives.
- Achieving widespread involvement and acceptance of Customs Quality Management as a positive, sensible and practical approach to our work.
- Achieving acceptance throughout Customs of the Australian Quality Award criteria as the framework for change and improvement.

Establishment

Establishment began late in 1994 with a new Quality and Survey Management Unit that would support the Customs Quality Management program, awareness sessions for staff and training in the Australian Quality Award criteria for the executive management team.

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We established a National Quality Council chaired by the Chief Executive Officer, and Regional Quality Councils chaired by regional directors, who head Customs operations in the states and the Northern Territory. These groups manage and guide implementation and demonstrate executive leadership and commitment to the program. A small group in Canberra oversees the program, and there are Quality Management coordinators in each region. Initially, all Quality Management Staff completed an Australian Quality Council Advanced Diploma in Quality Management.

This has been relatively expensive in time and money, but we took the view that investing in our own people rather than consultants would prove the most cost-effective and sustainable solution.

Implementation

Implementation began in July 1995, focusing on two key strategies:

- Establishing Quality Improvement Teams throughout Customs.
- Introducing an externally accredited management development program based on Quality Management principles and practices.

In September 1997, we had 53 Quality Improvement Teams, each comprising staff volunteers who work to improve particular processes, systems, or services. Seventeen projects had been completed and the results have been very encouraging.

This element of the Quality Management program achieved external recognition when the Cargo Automation Help Desk Quality Improvement Team from Customs Sydney office won the New South Wales and subsequently the Australian Quality Council National Team Award for the best team improving business performance. (See *Customs Quality Improvement Team wins national title*, page 13.)

The five members of this team will represent Australia at the International Exposition of Quality Circles 1997, to be held in Singapore in November 1997.

Examples of other Quality Improvement team projects include customer information centres, refunds processing, tariff advice, securities, and sea cargo manifest handling.

All these achievements are highly encouraging but will not be enough to sustain the processes of change and improvement unless supported by comprehensive staff education. This is why we have developed, with the Australian Quality College, a range of fully accredited management and administrative training courses.

They are the Public Sector Quality Management (Customs) Certificate Level 3, Certificate Level 4, Diploma, and Advanced Diploma, which will give

staff fully accredited and externally recognised qualifications. More importantly, they will provide the reinforcement and skill development needed to sustain Quality Management over the longer term.

The Public Sector Quality Management (Customs) program is:

- A partnership with the Australian Quality Council.
- Aligned with the Australian Quality Award criteria and the Commonwealth public service core competencies.
- Fully competency based.
- Accredited by the New South Wales Vocational Education and Training Accreditation Board and nationally registered.
- Able to recognise prior learning.
- Suitable for face-to-face and distance learning.

Written specifically for Customs, the program content was structured as an off-the-shelf package, equally relevant to the needs of other public sector organisations. Only case studies and examples would need to be changed.

Consolidation

We are at the beginning of the consolidation phase and eventually we hope to turn what began as a corporate initiative into simply the way we work. This is a long-term goal. In the meantime we will focus on the less ambitious task of integrating quality principles into all our management and planning and ensuring we achieve improvements in each of the seven Australian Quality Award criteria.

In particular, we will work to improve services to clients and on the effective integration of a range of complementary organisational improvement initiatives.

That is why a feature of the implementing phase will be using the results of a pilot survey of several industry groups carried out by AC Nielsen-McNair in June and July 1997. By asking clients such as importers, customs brokers, freight forwarders and producers of excisable goods how they rate our service delivery performance, and asking staff to rate their own, we will establish a baseline for comparisons and measuring future improvements.

This is part of Customs national survey program which includes organisational self-assessment against Australian Quality Award Criteria and a Customs staff opinion survey. (See *Surveys identify service improvements*, page 31.)

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